

Office of Business Development 2007 Report to Congress

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This is the report on the U.S. Small Business Administration's (SBA) 8(a) Business Development Program as required by the Business Opportunity Development Reform Act of 1988 [15 U.S.C. 636(j)(16)(A) & (B)] and section 7(j)(16) (A) requires the following:

(A) The Administrator shall develop and implement a process for the systematic collection of data on the operations of the Program established pursuant to paragraph (10). (B) Not later than April 30 of each year, the Administrator shall submit a report to the Congress on the Program that shall include the following: (i) The average personal net worth of individuals who own and control concerns that were initially certified for participation in the Program during the immediately preceding fiscal year. The Administrator shall also indicate the dollar distribution of net worth, at \$50,000 increments, of all such individuals found to be socially and economically disadvantaged. For the first report required pursuant to this paragraph the Administrator shall also provide the data specified in the preceding sentence for all eligible individuals in the Program as of the effective date of this paragraph. (ii) A description and estimate of the benefits and costs that have accrued to the economy and the Government in the immediately preceding fiscal year due to the operations of those business concerns that were performing contracts awarded pursuant to section 8(a). (iii) A compilation and evaluation of those business concerns that have exited the Program during the immediately preceding three fiscal years. Such compilation and evaluation shall detail the number of concerns actively engaged in business operations, those that have ceased or substantially curtailed such operations, including the reasons for such actions, and those concerns that have been acquired by other firms or organizations owned and controlled by other than socially and economically disadvantaged individuals. For those businesses that have continued operations after they exited from the Program, the Administrator shall also separately detail the benefits and costs that have accrued to the economy during the immediately preceding fiscal year due to the operations of such concerns. (iv) A listing of all participants in the Program during the preceding fiscal year identifying, by State and by Region, for each firm: the name of the concern, the race or ethnicity, and gender of the disadvantaged owners, the dollar value of all contracts received in the preceding year, the dollar amount of advance payments received by each concern pursuant to contracts awarded under section 8(a), and a description including (if appropriate) an estimate of the dollar value of all benefits received pursuant to paragraphs (13) and (14) and section 7(a)(20) during such year. (v) The total dollar value of contracts and options awarded during the preceding fiscal year pursuant to section 8(a) and such amount expressed as a percentage of total sales of (I) all firms participating in the Program during such year; and (II) of firms in each of the nine years of program participation. (vi) A description of such additional resources or program authorities as may be required to provide the types of services needed over the next two-year period to service the expected portfolio of firms certified pursuant to section 8(a). (vii) The total dollar value of contracts and options awarded pursuant to section 8(a), at such dollar increments as the Administrator deems appropriate, for each four digit standard industrial classification code under which such contracts and options were classified. (C) The first report required by subparagraph (B) shall pertain to fiscal year 1990.

Ethnicity Abbreviations

APA	Asian Pacific American
BA	Black American
CA	Caucasian American
HA	Hispanic American
NA	Native American
OA	Other American
SAA	Subcontinent Asian American
H	When used in conjunction with an ethnic abbreviation indicates the individual is handicapped.

Special Ownership Abbreviations

When used with an ethnic designation these abbreviations indicate the 8(a) firm is owned by the following type of organization.

ANC	Owned by an Alaska Native Corporation
CDC	Owned by a Community Development Corporation
TO	Owned by an Tribal Organization

EXECUTIVE SUMMARY

This report is provided annually to determine and quantify the extent to which the 8(a) Business Development Program has assisted in the development of firms owned and controlled by socially and economically disadvantaged individuals. The Act requires the Small Business Administration to analyze the accomplishments of businesses certified to participate in the 8(a) Business Development Program during the immediately preceding fiscal year and the status of the business concerns that completed their 8(a) Business Development Program term during the immediately preceding three fiscal years.

Fiscal year 2007 marked the 39th year of the SBA's 8(a) Business Development Program. During fiscal year 2007, a total of 9,423 businesses participated in the 8(a) Business Development Program. These firms made significant contributions to the Federal, state and local tax base and contributed an estimated 192,979 jobs to the Nation's economy. Between October 1, 2006, and September 30, 2007, a total of 682 new firms were certified to participate in the program.

Year-end financial statements submitted by the 9,423 firms participating in the program authorized by 15 U.S.C. 637(a) during fiscal year 2007 reported total revenues exceeding \$22.2 billion. Resulting revenue from the program authorized by 15 U.S.C. 637(a) was \$6.7 billion or 30.4 percent of all the firms' total revenue.

In order to assess the current business status of firms that graduated from the 8(a) Business Development Program in the past 3 years, SBA utilized Dun and Bradstreet data to provide the information on the firms that completed the nine year program. Of the 1,412 firms that completed their 8(a) Business Development Program term between October 1, 2004, and September 30, 2007: 1,083 were independently operational; 170 had substantially curtailed operations; 2 had been acquired by other firms owned and controlled by non-disadvantaged individuals; 106 had ceased business operations; no data was available in Dun & Bradstreet for 51 firms to support the analysis.

The total annual revenue of firms that exited the 8(a) Business Development Program in the last 3 years and responded to the survey had reported earnings of more than \$6.4 billion dollars, and provided employment for approximately 46,528 persons.

In fiscal year 2007, there were 65,214 contracting actions resulting in \$11.4 billion dollars in revenue to 8(a) Participants.¹

¹ Fiscal Year 2007 Federal Procurement Data System as of March 7, 2008.

PROGRAM INITIATIVES

- 1. Mission:** The purpose of the 8(a) Business Development Program is to assist eligible small disadvantaged business concerns compete in the American economy through business development. (13 CFR 124.1) These small disadvantaged businesses are owned and controlled by socially and economically disadvantaged individuals, economically disadvantaged Indian tribes (including Alaska Native Corporations), economically disadvantaged Native Hawaiian Organizations and Community Development Corporations. The 8(a) Business Development Program fulfills this mission by providing a menu of business development resources, such as marketing, managerial, technical, and financial and procurement assistance.
- 2. Business Development:** The 8(a) Business Development Program promotes business development over a 9-year period. Each participant's progress is monitored and measured, and its developmental needs are identified through annual reviews of its business plan. Guidance is provided through the Service Corps of Retired Executives (SCORE), Small Business Development Centers (SBDC) and Women's Business Centers (WBC). In addition, through award of sole source and limited-competition contracts, the 8(a) Business Development Program provides a logical, systematic approach to market access and enterprise growth to small businesses owned and controlled by socially and economically disadvantaged individuals.
- 3. Management and Technical Assistance:** Under Section 7(j) of the Small Business Act, the SBA provides specialized training, professional consultant assistance, and high-level executive development to eligible firms. This authority allows the SBA to provide assistance to 8(a) Business Development Program participants as well as to other small disadvantaged businesses, low-income entrepreneurs, and small businesses in labor-surplus areas or areas with a high proportion of low-income individuals. However, 8(a) Business Development firms also receive assistance through SCORE, SBDCs and the United States Export Assistance Centers (USEAC), as well as the mentor-protégé, joint venture, surety bond guarantee, and loan programs.

NET WORTH OF NEWLY CERTIFIED PROGRAM PARTICIPANTS

15 U.S.C. 636(j)(16)(B)(i)

The average personal net worth of individuals who own and control concerns that were initially certified for participation in the Program during the immediately preceding fiscal year. The Administrator shall also indicate the dollar distribution of net worths, at \$50,000 increments, of all such individuals found to be socially and economically disadvantaged.

- 1. Total Personal Net Worth:** The personal net worth, for program purposes, is the net value of the remaining assets of an individual, after total liabilities are deducted from their total assets. During fiscal year 2007, 960 individuals were initially certified to participate in the 8(a) Business Development Program. Table I presents data on the personal net worth of the 960 individuals who used their eligibility to qualify 682 firms (more than one individual may use his/her social and economic disadvantage status to qualify a single firm). In determining total personal net worth, the equity in the individual's primary residence and business is included. The average personal net worth of these individuals was \$215,750

Individuals with a personal net worth ranging from less than zero dollars to \$50,000 constituted 40.1 percent of owners controlling firms that were certified; individuals with a personal net worth of \$50,001 to \$100,000 constituted 9.9 percent; and individuals with a personal net worth of \$100,001 to \$150,000 constituted 11.0 percent. Approximately sixty one percent of the individuals owning and controlling firms that were certified had a personal net worth ranging from less than zero dollars to \$150,000. (See Table I)

- 2. Adjusted Personal Net Worth:** The adjusted personal net worth is defined as total personal net worth less the individual's equity in his or her primary residence and the individual's ownership interest in the applicant concern. Please note: the Small Business Act directs the SBA to use adjusted personal net worth, which excludes the net value of the personal residence and the business. For the purpose of determining whether an individual may be considered economically disadvantaged, the average adjusted personal net worth of the individuals owning and controlling the firms initially certified during fiscal year 2007 was \$73,628.

Individuals with an adjusted personal net worth ranging from less than zero dollars to \$50,000 constituted 57.60 percent of owners controlling firms that were certified; individuals with an adjusted personal net worth of \$50,001 to \$100,000 constituted 16.3 percent; and individuals with an adjusted personal net worth of \$100,001 to \$150,000 constituted 10.5 percent. Approximately eighty five percent of the individuals owning and controlling firms that were certified had an adjusted personal net worth ranging from less than zero dollars to \$150,000. (See Table II)

TABLE I
Total Personal Net Worth
(October 1, 2006 through September 30, 2007)
Individual Net Worth (unadjusted) expressed in \$50,000 increments

Dollar Range	Number in Range	Cumulative Total	Cumulative Percentage
(\$200,000) - (\$150,001)	1	1	0.10%
(\$150,000) - (\$100,001)	0	1	0.10%
(\$100,000) - (\$50,001)	6	7	0.73%
(\$50,000) - (\$1)	18	25	2.60%
\$0 - \$0	258	283	29.48%
\$1 - \$50,000	102	385	40.10%
\$50,001 - \$100,000	95	480	50.00%
\$100,001 - \$150,000	106	586	61.04%
\$150,001 - \$200,000	91	677	70.52%
\$200,001 - \$250,000	76	753	78.44%
\$250,001 - \$300,000	50	803	83.65%
\$300,001 - \$350,000	42	845	88.02%
\$350,001 - \$400,000	29	874	91.04%
\$400,001 - \$450,000	20	894	93.13%
\$450,001 - \$500,000	16	910	94.79%
\$500,001 - \$550,000	5	915	95.31%
\$550,001 - \$600,000	8	923	96.15%
\$600,001 - \$650,000	4	927	96.56%
\$650,001 - \$700,000	2	929	96.77%
\$700,001 - \$750,000	6	935	97.40%
\$750,001 - \$800,000	5	940	97.92%
\$800,001 - \$850,000	4	944	98.33%
\$850,001 - \$900,000	4	948	98.75%
\$900,001 - \$950,000	0	948	98.75%
\$950,001 - \$1,000,000	2	950	98.96%
\$1,000,001 - \$1,050,000	1	951	99.06%
\$1,050,001 - \$1,100,000	3	954	99.38%
\$1,100,001 - \$1,150,000	1	955	99.48%
\$1,150,001 - \$1,200,000	0	955	99.48%
\$1,200,001 - \$1,250,000	1	956	99.58%
\$1,250,001 - \$1,300,000	2	958	99.79%
\$1,300,001 - \$1,350,000	0	958	99.79%
\$1,350,001 - \$1,400,000	0	958	99.79%
\$1,450,001 - \$1500,000	0	958	99.79%
\$1,500,001 - \$1,550,000	0	958	99.79%
\$1,550,000 - \$ 1,600,000	1	959	99.90%
\$1,600,001 - \$1,650,000	0	959	99.90%
\$1,650,001 - \$1,700,000	0	959	99.90%

TABLE I
(Continued)
Total Personal Net Worth
(October 1, 2006 through September 30, 2007)
Individual Net Worth (unadjusted) expressed in \$50,000 increments

\$1,700,001 - \$1,750,000	0	959	99.90%
\$1,750,001 - \$1,800,000	0	959	99.90%
\$1,800,001 - \$1,850,000	0	959	99.90%
\$1,850,001 - \$1,900,000	0	959	99.90%
\$1,900,001 - \$1,950,000	0	959	99.90%
\$1,950,001- \$2,000,000	1	960	100.00%
Range of Personal Net Worth		(\$178,875) - \$1,993,349	
Median Personal Net Worth		\$170,685	
Average Personal Net Worth		\$215,750	

Note: In Tables I and II where the number of applicants in the range is zero, no range is stated.

TABLE II
Total Adjusted Personal Net Worth
(October 1, 2006 through September 30, 2007)
Individual Net Worth (adjusted) expressed in \$50,000 increments.

Dollar Range	Number in Range	Cumulative Total	Cumulative Percentage
(\$878,376) - (\$400,001)	1	1	0.10%
(\$350,001) - (\$400,000)	2	3	0.31%
(\$300,001) - (\$350,000)	1	4	0.42%
(\$250,001) - (\$300,000)	1	5	0.52%
(\$200,001) - (\$250,000)	0	5	0.52%
(\$200,000) - (\$150,001)	9	14	1.46%
(\$150,000) - (\$100,001)	6	20	2.08%
(\$100,000) - (\$50,001)	18	38	3.96%
(\$50,000) - (\$1)	64	102	10.63%
\$0 - \$0	261	363	37.81%
\$1 - \$50,000	190	553	57.60%
\$50,001 - \$100,000	156	709	73.85%
\$100,001 - \$150,000	104	813	84.69%
\$150,001 - \$200,000	80	893	93.02%
\$200,001 - \$250,000	67	960	100.00%
Range of Personal Net Worth		(\$878,376) - \$249,864	
Median Personal Net Worth		\$66,304	
Average Personal Net Worth		\$73,628	

Note: In Tables I and II where the number of applicants in the range is zero, no range is stated.

BENEFITS AND COSTS OF THE 8(a) PROGRAM TO THE ECONOMY

15 U.S.C. 636(j)(16)(B)(ii)

A description and estimate of the benefits and costs that have accrued to the economy and the Government in the immediately preceding fiscal year due to the operations of those business concerns that were performing contracts awarded pursuant to section 8(a).

During fiscal year 2007, a total of 9,423 concerns participated in the 8(a) Business Development Program. This figure includes all firms that entered and exited the program throughout the year. SBA's field offices reported that these firms provided employment for more than 192,979 people.

According to year-end financial statements submitted by participants in the program during the fiscal year ending September 30, 2007, total revenue exceeded \$22.2 billion. Total revenue for the program authorized by 15 U.S.C. 637(a) was approximately \$6.7 billion, or 30.4 percent, of firms' total revenue. The balance of revenue for program participants, 69.6 percent, was earned from non-program sources. This is consistent with the 8(a) program's intent to have participants rely on non-program sources of revenue in order to enhance post program viability.

1. Benefits to the Economy and the Government

In principle, the benefit to the economy represents the incremental gain to disadvantaged groups from employment and income supported by 8(a) business development contracts, as well as incremental gains in business sustainability. The following are areas in which 8(a) business development certified businesses are contributing to the gross domestic product, the Nation's tax base, employment, and the individual wealth and well-being of all Americans.

- a. **Long-term Business Development Efforts:** Since the inception of the 8(a) program (1968), there have been more than 900,894 8(a) contract awards, worth approximately \$127.1 billion. While these figures represent a very small percentage of total federal procurement awards and dollars, they still signal significant success in including targeted businesses in the federal market.
- b. **Employment:** The 9,423 8(a) business development firms provided employment for an estimated 192,979 people during fiscal year 2007, an average of 20.5 employees per company. The 8(a) Business Development Program is a source of employment in all states, the District of Columbia, Guam, Puerto Rico and the U.S. Virgin Islands.

- c. **Firm Owners:** Program participants are involved in all areas of community development and volunteer work. They contribute time and resources to improve their schools and neighborhoods, and provide jobs and educational opportunities for minority and disadvantaged youth. In the selection of program participants for annual national awards, much emphasis is placed on community involvement.
- d. **Diversity and ethnicity of firms assisted:** America is a nation composed of ethnically diverse individuals. Historically, many disadvantaged businesses are owned by individuals who have not had access to mainstream business opportunities and have little or no access capital and credit. The 8(a) Program provides certified firms with opportunities to improve their ability to successfully compete in the nation's marketplace.

3. Costs to the Government

The SBA's Office of Business Development (BD), located in the Office of Government Contracting and Business Development, is responsible for the administration of the Business Development Program. The following is a summary of the administrative, financial assistance, and management and technical assistance costs of the 8(a) Business Development program during fiscal year 2007:

a. **Program Administrative Costs** \$ 41,200,000

SBA program administrative costs consist of personnel, travel, supplies, training and similar expenses. In fiscal year 2007, the 8(a) Business Development Program had actual costs of \$ 41.2 million, including \$ 5.8 million attributable to Headquarters, and \$35.4 million attributable to Field Operations (district offices). A total of 143 full time equivalent (FTE) positions worked in the program in fiscal year 2007; including 18 FTE's in Headquarters and 125 FTE's in District Offices.

b. **Management and Technical Assistance** \$ 3,340,000

Section 7(j) mandates that the SBA obtain and maintain a qualified cadre of individuals and organizations to provide assistance to socially and economically disadvantaged individuals. For fiscal year 2007, Section 7(j) assistance had actual costs of \$ \$3,340, 000.

c. Advance Payments

\$ 0

Advance payments are non-interest bearing loans made by the SBA to a Business Development Program participant in connection with the performance of a specific 8(a) Business Development contract to assist the firm in meeting the financial requirements of performing the contract. Since the Federal Credit Reform Act of 1990 (effective October 1, 1992), the SBA has not provided advance payments for 8(a) business development contracts. In 1998, SBA eliminated the authority to approve advance payments for 8(a) contractors from the 8(a) Program Development program regulations (13 C.F.R. 124). There have been no appropriations for this program for the past several years. Consequently, no advance payments have been appropriated for the current fiscal year. However, each procuring agency's contracting officers have authority to provide advance payments on individual contracts to 8(a) Business Development firms using their individual agency's funds.

EVALUATION OF FIRMS THAT EXITED THE 8(a) PROGRAM

15 U.S.C. 636(j)(16)(B)(iii)

A compilation and evaluation of those business concerns that have exited the Program during the immediately proceeding three fiscal years. Such compilation and evaluation shall detail the number of concerns actively engaged in business operations, those that have ceased or substantially curtailed such operations, including the reasons for such actions, and those concerns that have been acquired by other firms or organizations owned and controlled by other than socially and economically disadvantaged individuals. For those businesses that have continued operations after they exited from the Program, the Administrator shall also separately detail the benefits and costs that have accrued to the economy during the immediately preceding fiscal year due to the operations of such concern.

The SBA utilized data provided by Dun & Bradstreet to analyze the 1,412 firms that completed their 8(a) Business Development Program term between October 1, 2004, and September 30, 2007. Of the 1,361 firms for which data was available, 1083 were independently operational, 170 had substantially curtailed operations, 2 had been acquired by other firms owned and controlled by non-disadvantaged individuals, and 106 had ceased business operations. Data was not available for 51 firms. (See Table III). The total annual revenue of all exited firms reporting was approximately \$6.4 billion. Firms exiting over the immediately proceeding 3 fiscal years provided employment for approximately 46,528 persons.

During fiscal year 2007, 143 firms were terminated from participation in the 8(a) Business Development Program. There are numerous reasons for termination; however, most were terminated due to their failure to comply with basic program reporting requirements. These actions ensured that only firms eligible for the program received program benefits. In addition, companies that cease operations and fail to withdraw voluntarily were terminated. During fiscal year 2007, 149 firms elected to withdraw voluntarily from 8(a) Business Development Program participation.

The reasons that caused former 8(a) businesses to cease operations, like the reasons that cause any category of business to cease operations, are numerous. The reasons may include: economic conditions; retirement, illness or death of the owner; reduced Federal contracting opportunities; a decision to sell the business or start a new business venture; or the pursuit of other professional interests. According to a new study provided by the U.S. Department of Labor, Bureau of Labor Statistics stated that two-thirds of new employer establishments survive at least two years, and 44 percent survive at least four years. However, after 4 years, the survival rate is decreasing at a slower pace.² Please note that the statutory language cited above requests detailed information

² “Characteristics of Survival: Longevity of Business Establishments in the Business Employment Dynamics Data: Extensions” by Amy E. Knaup and Merissa C. Piazza; Bureau of Labor Statistics, December 2006.

for firms that have existed for each of the three proceeding fiscal years. To determine whether a firm had substantially curtailed business operations, SBA based this data on the number of employees at the time of program completion and compared that number to the current number of employees. If there was a significant decrease greater than fifty percent, it was determined that the firm may have decreased business operations.

TABLE III
Status of 8(a) Business Development Participants That Exited The Program
 (October 1, 2004 through September 30, 2007)

Status of Exited Participants	FY 2005	FY 2006	FY 2007	Totals
Terminated From Program	130	318	143	591
Voluntarily Withdrew From Program	98	95	149	342
Early Graduation (Participated Less Than 9 Years)	18	12	12	42
Graduated	0	0	0	0
Totals	246	425	304	975

Status of 8(a) Business Development Participants That Completed Their Program Term
 (October 1, 2003 through September 30, 2006)

Status of Participants Completing Term	FY 2004	FY 2005	FY 2006	Totals	Percent
Completed 9 Year Program Term ³	596	448	368	1412	
Dun & Bradstreet Data Available	585	438	338	1361	
Independently Operational	470	324	289	1083	76.7%
Substantially Curtailed Operations	67	66	37	170	12.0%
Ceased Business Operations	47	47	12	106	7.5%
Acquired By Other Firm	1	1	0	2	.1%
Dun & Bradstreet Data Not Available	11	10	30	51	3.7%
					100%

³ Adjustments for firms that completed or withdrew from the program while in the termination process.

COMPILATION OF FISCAL YEAR 2004 PROGRAM PARTICIPANTS

15 U.S.C. 636(j) (16) (B) (iv)

A listing of all participants in the Program during the preceding fiscal year identifying, by State and by Region, for each firm: the name of the concern, the race or ethnicity, and gender of the disadvantaged owners, the dollar value of all contracts received in the preceding year, the dollar amount of advance payments received by each concern pursuant to contracts awarded under section 637(a) of this title, and a description including (if appropriate) an estimate of the dollar value of all benefits received pursuant to paragraphs (13) and (14) and section 7(a) (20) during such year.

The ethnic heritage of the owners of the 9,423 firms participating in the 8(a) Business Development Program during fiscal year 2007 is as follows: Black American - 3,436 (36.47 percent); Hispanic American - 2,187 (23.21percent); Asian Pacific American -1,072 (11.38 percent); Subcontinent Asian American - 1028 (10.91 percent); Native American - 933 (9.9 percent); Native Hawaiian American - 38 (0.40 percent); Caucasian American - 463 (4.91 percent) and Other American – 266 (2.82 percent). Men own 67.20 percent of the firms, and 32.80 percent are owned by women. (See Tables IV, V, and VI)

Table VI provides ethnic totals of firms participating in the 8(a) program by state and region during fiscal year 2007. States with the largest number of 8(a) certified firms were Maryland (1,124), California (1,009), Virginia (1,004), Texas (718), and Florida (545).

TABLE IV
Ethnic Heritage of 8(a) Business Development Participants
(October 1, 2006 through September 30, 2007)

Ethnicity	Gender	Number of Participants	Percent of Total
Asian Pacific Americans	Female	345	3.66%
	Male	727	7.72%
Total		1,072	11.38%
Black Americans	Female	1,039	11.03%
	Male	2,397	25.44%
Total		3,436	36.47%
Caucasian Americans	Female	404	4.29%
	Male	59	0.63%
Total		463	4.91%
Hispanic Americans	Female	640	6.79%
	Male	1,547	16.42%
Total		2,187	23.21%
Native Americans	Female	200	2.12%
	Male	733	7.78%
Total		933	9.90%
Native Hawaiian Americans	Female	8	0.08%
	Male	30	0.32%
Total		38	0.40%
Other Americans	Female	195	2.07%
	Male	71	0.75%
Total		266	2.82%
Subcontinent Asian Americans	Female	261	2.77%
	Male	767	8.14%
Total		1,028	10.91%
Total All Participants		9,423	100.00%

TABLE V

Gender of 8(a) Business Development Participants

(October 1, 2006 through September 30, 2007)

Businesses Owned by Females	3,091	32.80%
Businesses Owned by Males	6,332	67.20%
Total Businesses	9,423	100.0%

TABLE VI

Ethnicity and Gender by Region and State

(October 1, 2006 through September 30, 2007)

Region / State	Asian Pacific		Black		Caucasian		Hispanic		Native		Native Hawaiian		Other		Subcontinent Asian		Grand Totals
	Americans		Americans		Americans		Americans		Americans		Americans		Americans		Americans		
	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	
Region I																	
Connecticut	1	1	3	6	2	0	1	3	0	0	0	0	1	0	0	5	23
Maine	0	0	0	2	1		0	1	0	2	0	0	0	0	0	1	7
Massachusetts	5	5	5	16	5	2	3	7	0	0	0	0	3	0	6	16	73
New Hampshire	1	3	1	0	0	0	0	0	0	0	0	0	0	0	0	1	6
Rhode Island	0	0	0	1	0	0	0	3	0	0	0	0	0	0	0	0	4
Region I Totals	7	9	9	25	8	2	4	14	0	2	0	0	4	0	6	23	113
Region II																	
New Jersey	9	11	24	39	9	3	19	30	0	3	0	0	0	0	28	48	223
New York	15	17	40	94	26	6	19	38	1	3	0	1	31	6	12	48	357
Puerto Rico	0	0	0	1	0	0	25	110	0	0	0	0	0	0	0	0	136
Virgin Islands	0	0	2	4	0	0	0	1	0	0	0	0	0	0	0	0	7
Region II Totals	24	28	66	138	35	9	63	179	1	6	0	1	31	6	40	96	723
Region III																	
Delaware	0	1	4	8	2	0	1	1	0	1	0	0	1	0	0	4	23
District of Columbia	4	8	47	117	2	0	10	19	2	2	1	0	5	2	4	17	240
Maryland	38	71	210	418	36	0	54	79	5	19	0	2	24	7	44	117	1124
Pennsylvania	4	7	32	61	17	3	5	17	3	4	1	0	1	1	5	24	185
Virginia	72	120	121	224	24	1	49	97	15	24	0	5	21	18	68	145	1004
West Virginia	0	0	2	7	4	0	0	1	2	0	0	0	0	1	1	4	22
Region III Totals	118	207	416	835	85	4	119	214	27	50	2	7	52	29	122	311	2598
Region IV																	
Alabama	5	7	24	53	4	0	7	12	20	35	2	0	4	0	4	5	182
Florida	12	29	44	120	38	3	71	165	6	10	0	0	9	0	8	30	545
Georgia	12	11	86	198	16	1	9	20	4	9	0	0	3	0	10	29	408
Kentucky	1	2	3	17	0	1	0	4	0	4	0	0	1	1	0	4	38
Mississippi	3	2	13	48	6	1	3	2	2	5	0	0	1	0	0	0	86
North Carolina	0	2	20	50	7	1	6	7	4	14	0	0	2	1	2	6	122
South Carolina	1	5	8	36	6	1	2	1	2	6	0	0	1	0	0	2	71
Tennessee	2	1	19	46	4	0	3	7	2	8	0	0	4	1	2	3	102
Region IV Totals	36	59	217	568	81	8	101	218	40	91	2	0	25	3	26	79	1554

TABLE VI (continued)**Ethnicity and Gender by Region and State**

(October 1, 2006 through September 30, 2007)

Region / State	Asian Pacific		Black		Caucasian		Hispanic		Native		Native Hawaiian		Other		Subcontinent Asian		Grand Totals
	Americans		Americans		Americans		Americans		Americans		Americans		Americans		Americans		
	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	
Region V																	
Illinois	3	19	35	79	7	8	11	27	1	5	1	0	3	1	7	27	234
Indiana	1	6	4	41	3	0	1	8	0	2	0	0	2	0	1	3	72
Michigan	0	4	17	49	2	1	8	10	2	9	0	1	1	2	3	19	128
Minnesota	2	6	3	12	5	0	1	5	3	17	0	0	0	0	2	3	59
Ohio	4	7	26	79	6	1	3	11	5	4	0	0	0	0	7	29	182
Wisconsin	6	1	5	11	7	1	5	10	5	9	0	0	0	0	1	4	65
Region V Totals	16	43	90	271	30	11	29	71	16	46	1	1	6	3	21	85	740
Region VI																	
Arkansas	3	1	9	19	2	1	3	1	1	2	0	0	0	0	0	0	42
Louisiana	0	5	29	70	5	2	6	18	3	7	0	0	3	2	0	6	156
New Mexico	5	4	2	5	2	0	36	70	12	27	0	0	3	0	1	2	169
Oklahoma	1	2	5	21	0	0	4	7	20	74	0	1	5	2	1	2	145
Texas	12	18	55	126	28	2	104	264	13	37	0	2	9	2	11	35	718
Region VI Totals	21	30	100	241	37	5	153	360	49	147	0	3	20	6	13	45	1230
Region VII																	
Iowa	1	2	2	4	3	0	2	1	0	0	0	0	2	0	0	2	19
Kansas	4	6	5	17	2	0	2	4	4	5	0	0	2	0	2	5	58
Missouri	3	2	19	39	5	0	2	10	3	9	0	0	2	2	1	1	98
Nebraska	1	0	2	6	1	0	0	2	0	7	0	0	2	2	0	2	25
Region VII Totals	9	10	28	66	11	0	6	17	7	21	0	0	8	4	3	10	200
Region VIII																	
Colorado	5	12	25	25	32	4	21	68	3	17	0	0	3	1	3	12	231
Montana	0	1	0	2	2	1	0	4	3	14	0	0	2	0	0	0	29
North Dakota	0	0	0	1	3	0	0	0	4	27	0	0	0	0	0	0	35
South Dakota	0	0	0	0	2	1	1	4	2	16	0	0	0	0	0	0	26
Utah	1	15	1	2	5	1	5	14	2	9	0	0	7	0	0	2	64
Wyoming	0	0	0	0	0	1	1	2	2	3	0	0	1	0	0	0	10
Region VIII Totals	6	28	26	30	44	8	28	92	16	86	0	0	13	1	3	14	395

TABLE VI (continued)

Ethnicity and Gender by Region and State

(October 1, 2006 through September 30, 2007)

Region / State	Asian Pacific		Black		Caucasian		Hispanic		Native		Native Hawaiian		Other		Subcontinent Asian		Grand Totals
	Americans		Americans		Americans		Americans		Americans		Americans		Americans		Americans		
	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	
Region IX																	
Arizona	4	3	5	20	3	1	13	44	6	10	0	0	9	0	3	8	130
California	59	158	67	144	41	8	97	245	12	35	0	1	17	16	24	85	1009
Guam	14	27	0	0	0	0	0	1	0	0	0	0	0	1	0	1	44
Hawaii	17	95	1	3	1	0	3	11	3	12	3	14	2	0	0	5	170
Nevada	3	5	4	12	10	0	3	12	0	1	0	0	0	0	0	1	51
Region IX Totals	97	288	77	179	55	9	116	313	21	59	3	15	28	17	27	100	1403
Region X																	
Alaska	1	8	1	7	4	0	4	5	17	173	0	1	5	2	0	0	228
Idaho	0	0	0	1	3	1	5	11	1	7	0	1	1	1	0	0	32
Oregon	2	1	0	8	3	0	4	26	2	6	0	0	0	0	0	1	53
Washington	8	16	9	28	8	2	8	27	3	40	0	1	1	0	0	3	154
Region X Totals	11	25	10	44	18	3	21	69	23	226	0	3	7	3	0	4	467
National Totals	345	727	1039	2397	404	69	640	1547	200	733	8	30	194	72	261	767	9423

TOTAL VALUE OF CONTRACTS AND OPTIONS AWARDED DURING FISCAL YEAR 2007

15 U.S.C. 636(j)(16)(B)(v)

The total dollar value of contracts and options awarded during the preceding fiscal year pursuant to section 637(a) of this title and such amount expressed as a percentage of total sales of (I) all firms participating in the Program during such year, and (II) of firms in each of the nine years of program participation.

In fiscal year 2007, current 8(a) Participants reported total revenue of \$22.2 billion. Active participants derived 30.4 percent of their total revenue from 8(a) contracts. It should be noted that the full contract or modification estimated award amounts might not be received during the fiscal year in which they are awarded. Also, the total estimated amount might not be achieved at all. Therefore, the firms' revenue figures may not reflect the total contract and modification award amounts. (See Table VII for contract and modification dollars expressed as a percentage of firms' total revenue in each of the nine years of program participation.)

Table VII

Contract and Modification Dollars Expressed as a Percentage of Firms' Total Revenue In Each of the Nine Years of Program Participation

Program Year	Number of Employees	8(a) Revenue	Total Revenue	8(a) as Percent of Total Revenue
1	5,993	5,088,065	244,077,316	2.08%
2	8,914	68,734,570	1,151,145,098	5.97%
3	18,956	423,999,197	2,186,174,725	19.39%
4	32,673	830,841,309	2,819,611,556	29.47%
5	21,848	1,090,678,711	3,013,782,991	36.19%
6	20,002	886,386,097	2,971,672,454	29.83%
7	30,701	1,016,707,698	2,931,589,370	34.68%
8	21,646	1,099,847,479	2,845,085,680	38.66%
9	32,246	1,311,793,141	4,010,861,686	32.71%
Totals	192,979	6,734,076,267	22,174,000,876	30.37%

REQUESTED RESOURCES AND PROGRAM AUTHORITIES

15 U.S.C. 636(j) (16) (B) (vi)

A description of such additional resources or program authorities as may be required to provide the types of services needed over the next two-year period to service the expected portfolio of firms certified pursuant to section 637(a) of this title.

At this time, no additional resources or program changes are being requested.

VALUE OF CONTRACTS AND MODIFICATIONS BY SIC CODE

15 U.S.C. 636(j)(16)(B)(vii)

The total dollar value of contracts and options awarded pursuant to section 637(a) of this title, at such dollar increments as the Administrator deems appropriate, for each four digit standard industrial classification code under which such contracts and options are classified.

Note: This table represents fiscal year 2007 procurement information available from the Federal Procurement Data System (FPDS) as of March 7, 2008.

Industries With the Largest Dollar Amounts

(October 1, 2006 through September 30, 2007)

<i>NAICS Code</i>	<i>NAICS Description</i>	<i>Actions</i>	<i>Dollar Value of Actions</i>
236220	COMMERCIAL AND INSTITUTIONAL BUILDING CONSTRUCTION	10,383	\$1,755,268,492
561210	FACILITIES SUPPORT SERVICES	3,791	\$734,219,159
541330	ENGINEERING SERVICES	2,895	\$431,942,773
541519	OTHER COMPUTER RELATED SERVICES	1,915	\$402,365,044
237990	OTHER HEAVY AND CIVIL ENGINEERING CONSTRUCTION	1,339	\$369,036,476
541611	ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT	2,096	\$351,100,614
236210	INDUSTRIAL BUILDING CONSTRUCTION	1,686	\$307,654,482
541710	RESEARCH AND DEVELOPMENT IN THE PHYSICAL,	3,179	\$299,200,938
541512	COMPUTER SYSTEMS DESIGN SERVICES	1,132	\$268,602,132
541511	CUSTOM COMPUTER PROGRAMMING SERVICES	1,371	\$232,915,278
561612	SECURITY GUARDS AND PATROL SERVICES	834	\$231,732,876
237310	HIGHWAY, STREET, AND BRIDGE CONSTRUCTION	1,074	\$219,319,228
562910	REMEDATION SERVICES	1,225	\$196,838,729
541513	COMPUTER FACILITIES MANAGEMENT SERVICES	1,124	\$191,113,657
238990	ALL OTHER SPECIALTY TRADE CONTRACTORS	1,837	\$187,866,255
334111	ELECTRONIC COMPUTER MANUFACTURING PLUMBING, HEATING, AND AIR-CONDITIONING CONTRACTORS	888	\$167,569,135
238220	ELECTRICAL CONTRACTORS AND OTHER WIRING	1,148	\$146,166,077
237110	WATER AND SEWER LINE AND RELATED STRUCTURES	918	\$140,412,156
423430	COMPUTER AND COMPUTER PERIPHERAL EQUIPMENT AND	543	\$131,621,831
561110	OFFICE ADMINISTRATIVE SERVICES	1,145	\$125,217,966
561720	JANITORIAL SERVICES	1,095	\$118,025,258
238160	ROOFING CONTRACTORS	1,484	\$113,441,006
517110	WIRED TELECOMMUNICATIONS CARRIERS	700	\$98,445,451
541690	OTHER SCIENTIFIC AND TECHNICAL CONSULTING SERVICES	152	\$84,405,860
315211	MEN'S AND BOYS' CUT AND SEW APPAREL CONTRACTORS	806	\$84,065,958
238910	SITE PREPARATION CONTRACTORS	61	\$78,705,941
541990	ALL OTHER PROFESSIONAL, SCIENTIFIC, AND TECHNICAL	354	\$76,291,514
561320	TEMPORARY HELP SERVICES	581	\$67,659,271
334220	RADIO AND TELEVISION BROADCASTING AND WIRELESS	630	\$65,382,054
237130	POWER AND COMMUNICATION LINE AND RELATED	138	\$62,796,071
541620	ENVIRONMENTAL CONSULTING SERVICES	230	\$58,320,944
336413	OTHER AIRCRAFT PARTS AND AUXILIARY EQUIPMENT	464	\$57,934,339
561730	LANDSCAPING SERVICES	272	\$55,663,791
541618	OTHER MANAGEMENT CONSULTING SERVICES	500	\$52,041,565
		395	\$50,776,392

APPENDIX- A

APPENDIX – B

APPENDIX - C

APPENDIX - D